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3 **UNITED STATES DISTRICT COURT**
4 **NORTHERN DISTRICT OF CALIFORNIA**
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6 **THOMAS SHRIVER, ET AL.,**

7 Plaintiffs,
8
9 **PARTNERSHIP HEALTHPLAN OF**
10 **CALIFORNIA,**
11 Defendant.

Case No. 4:22-cv-03719-YGR

**ORDER TO SHOW CAUSE RE: CAFA
JURISDICTION**

12 TO PLAINTIFFS AND PLAINTIFFS' COUNSEL OF RECORD:

13 YOU ARE HEREBY ORDERED TO SHOW CAUSE IN WRITING why this case should
14 not be dismissed for plaintiffs' failure to establish that jurisdiction is proper pursuant to the Class
Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d)(2).

15 Relevant here, "CAFA vests federal courts with original diversity jurisdiction over class
16 actions where (1) the aggregate amount in controversy exceeds \$5,000,000; (2) any class member
17 is a citizen of a state different from any defendant; and (3) there are at least 100 class members."

18 *Brinkley v. Monterey Fin. Servs., Inc.*, 873 F.3d 1118, 1121 (9th Cir. 2017) (citation omitted).

19 Nevertheless, "Congress provided exceptions to CAFA jurisdiction," including the so-called
20 "local controversy exception" and the mandatory "home state exception[.]" *Adams v. West*
21 *Marine Products, Inc.*, 958 F.3d 1216, 1220 (9th Cir. 2020).

22 With respect to the local controversy exception, courts "shall decline to exercise
23 jurisdiction" when, "greater than two-thirds of the members of all proposed plaintiff classes in the
24 aggregate are citizens of the State in which the action was originally filed[,]'" 28 U.S.C. §
25 1332(d)(4)(A), "the principal injuries occurred in that same state, and at least one significant
26 defendant is a citizen of that state." *Adams*, 958 F.3d at 1220 (citing 28 U.S.C. § 1332(d)(4)(A)).
27 As to the mandatory home state exception, district courts "shall decline to exercise jurisdiction"
28 when "two-thirds or more of the members of all proposed plaintiff classes in the aggregate, and

1 the primary defendants, are citizens of the State in which the action was originally filed.” 28
2 U.S.C. § 1332(d)(4)(B); *Adams*, 958 F.3d at 1220.

3 The complaint alleges that the named plaintiffs and defendant are citizens of California. It
4 further defines the class as “[a]ll individuals residing in the United States whose PII was actually
5 or potentially compromised during the data event PHC identified on or about March 19, 2022.”

6 (Compl. ¶ 118.) Approximately 854,913 were impacted by the alleged data breach in the
7 complaint concerning the administration of Medi-Cal benefits. (*Id.* ¶¶ 2-3.) Given the citizenship
8 of the named parties combined with the fact that Medi-Cal is a California health care program, the
9 Court is concerned the local controversy exception and/or the mandatory home state exception
10 may be a jurisdictional bar to CAFA jurisdiction.

11 Accordingly, it is **HEREBY ORDERED** that:

- 12 1. **By no later than November 30, 2022**, plaintiffs respond in writing explaining why this
13 case should not be dismissed for lack of jurisdiction. Failure to respond to this order by
14 the deadline set forth above will be construed as a concession that dismissal is appropriate.
- 15 2. Defendant may file an optional response to plaintiffs’ response by December 5, 2022.
- 16 3. Alternatively, the parties may file a joint stipulation of voluntary dismissal.

17 **IT IS SO ORDERED.**

18 Dated: November 14, 2022

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YVONNE GONZALEZ ROGERS
UNITED STATES DISTRICT JUDGE